



## AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

July 20, 2011

### Quick Links

[MA-ACA Website](#)



These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

### Guidance

**7/20/11** CMS issued a **proposed rule to implement the Consumer Operated and Oriented Plan (CO-OP) program**, which provides loans to private entities to foster the creation of consumer-governed, private, nonprofit health insurance issuers to offer qualified, affordable health plans in the health insurance exchanges. Established under §1322 of the ACA, the goal of CO-OP program is to create a new CO-OP in every state in order to expand the number of exchange health plans with a focus on integrated care and plan accountability. CO-OPs are designed to give consumers and small businesses control over their own health insurance. CO-OPs will be directed to use any profit to benefit its members, including taking action to lower premiums, improve health benefits, improve the quality of members' health care, expand enrollment, and otherwise contribute to the stability of coverage for members. In the proposed rule CMS lays out standards for CO-OPs, and for qualifying for \$3.8 billion in repayable loans to help start-up and capitalize new health plans. All CO-OP loans must be repaid with interest and loans will only be made to private, nonprofit entities that demonstrate a high probability of becoming financially viable. Comments are due on September 16, 2011. For more information, including a fact sheet, visit:

[www.HealthCare.gov/news/factsheets/coops07182011a.html](http://www.HealthCare.gov/news/factsheets/coops07182011a.html)

The link to the proposed rule can be found at: <http://www.gpo.gov/fdsys/pkg/FR-2011-07-20/pdf/2011-18342.pdf>

**7/18/11** CMS filed an **ACA-related Medicare proposed rule** regarding hospital outpatient prospective payment (OPPS), ambulatory surgical center payment, hospital value-based purchasing (VBP) program, physician self-referral and provider agreement regulations on patient notification requirements. The rule implements portions of §3138, §3401, §6001, and §10324 of the ACA.

Comments are due August 30, 2011.

Read the rule at: <http://www.gpo.gov/fdsys/pkg/FR-2011-07-18/pdf/2011-16949.pdf>

Prior guidance can be viewed at [www.healthcare.gov](http://www.healthcare.gov)

## News

**7/20/11 The Institute of Medicine (IoM) issued a report "Clinical Preventive Services for Women: Closing the Gaps"** which reviews the existing list of preventive services for women's health, examines additional screenings and services that have been shown to be effective for women, and **recommends eight preventive services and screenings that should be considered for inclusion in the HHS guidelines of recommended preventive services that health plans will cover at no cost to patients.** HHS tasked the IoM with making recommendations on the criteria and methods for determining and updating the "essential health benefits" requirement in the ACA, a set of medical services and treatments that all insurers will have to cover by 2014. (The requirement can be found here: <http://webapps.dol.gov/FederalRegister/PdfDisplay.aspx?DocId=23983>)

As required by the ACA, beginning in 2013, individuals enrolled in private health plans will have limited cost-sharing requirements for a specified set of such services. The comprehensive preventive services that are covered for women will likely include a wide range of contraceptives. Among the IoM recommendations is the recommendation to provide birth control and emergency contraception at no cost sharing as a part of those services. The list of approved preventable services includes benefits such as cancer screenings, colonoscopies, and flu shots are selected by HHS.

HHS is expected to make a decision in early August on whether to accept the recommendations, but it is highly unlikely that federal officials would not follow the suggestions to any significant degree. HHS Secretary Kathleen Sebelius issued a statement on July 19, 2011 praising the report as "historic."

Read the report at:

<http://www.iom.edu/~media/Files/Report%20Files/2011/Clinical-Preventive-Services-for-Women-Closing-the-Gaps/Preventive%20Services%20Women%202011%20Report%20Brief.pdf>

Read the recommendations for preventive services for women that should be considered by HHS at:

<http://www.iom.edu/Reports/2011/Clinical-Preventive-Services-for-Women-Closing-the-Gaps/Recommendations.aspx>

**7/18/11 The Center for American Progress (CAP) released a report titled "'Bundling' Payment for Episodes of Hospital Care"** which suggests that bundling payments around hospitalization can potentially improve patient care by increasing coordination and reducing unnecessary services as well as reducing complications, errors, and hospital readmissions. The report describes a Medicare bundled payment pilot program required under the ACA, examines the reasons to develop episode-of-care payments involving hospitalizations, and then explores recommendations about how to best establish and run such a program.

Read the report at:

[http://www.americanprogress.org/issues/2011/07/pdf/medicare\\_bundling.pdf](http://www.americanprogress.org/issues/2011/07/pdf/medicare_bundling.pdf)

**7/15/11 HHS added 39 new recipients, updating the list at the end of June of those organizations that have been granted one-year "annual limits" waivers** to a total of 1471 applicants. The number of enrollees in plans with annual limits waivers is 3.2 million, representing only about 2% of all Americans who have private health insurance today. In the fall 2011 HHS will stop the process of granting a new batch of one-year waivers at the end of each month to "mini-med" plans with limited benefits. Organizations, companies or labor

unions that now have waivers from the annual limits in the health care law can keep them until 2014 as long as they ask for extensions by this fall and meet requirements for transparency. The deadline is September 22, 2011 for applications for new waivers and extensions for current waivers. These organizations receive a temporary exemption from the annual limit requirements by certifying that a waiver is necessary to prevent either a large increase in premiums or a significant decrease in access to coverage. In addition, enrollees must be informed that their plan does not meet the coverage requirements of the ACA.

To see a breakdown of the types of applicants and learn more, visit CCIIO's website:

[http://cciio.cms.gov/resources/files/approved\\_applications\\_for\\_waiver.html](http://cciio.cms.gov/resources/files/approved_applications_for_waiver.html)

**7/15/11** A report released from the Government Accountability Office (GAO) details **contracts awarded and consultants retained by federal departments and agencies to assist with ACA implementation**. The breakdown includes grants awarded by the IRS, HHS Assistant Secretary, Office of Personal Management, CMS, Centers for Disease Control and Prevention, Bureau of Labor and Statistics, and Employee Benefits Security Administration. The report includes data available through April 2011. Many of the larger amounts have been awarded to administer the Pre-existing Condition Insurance Program (PCIP) and the Early Retiree Reinsurance Program (ERRP).

Read the report at: <http://www.gao.gov/new.items/d11797r.pdf>

## Upcoming Events

Open Meeting

**Integrating Medicare and Medicaid for Dual Eligible Individuals**

August 31, 2011, 10 am- 12pm

Saxe Room, Worcester Public Library

Worcester, MA

Consumer Focused Meeting

**Integrating Medicare and Medicaid for Dual Eligible Individuals**

September 22, 2011, 1pm - 3pm

1 Ashburton Place, 11th Floor, Matta Conference Room

Boston, MA

Bookmark the **Massachusetts National Health Care Reform website**

at: [www.mass.gov/nationalhealthreform](http://www.mass.gov/nationalhealthreform) to read updates on ACA implementation in Massachusetts.

Remember to check <http://www.mass.gov/masshealth/duals> for information on the

**"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.